

LNF & IHCIF Calculations Illustration **- UMATILLA in Portland area -**

Given Data

- 2,805 = 1998 user count
- \$2,980 = National average cost per person (not including wrap-around costs)
- 32% = % Expenditures on purchased services, 68% = % expenditures in-house
- 105.4% = Cost index for purchasing health care in this geographic area
- 121.0% = Size cost index for in-house costs due to small or large size
- 96.9% = Portland area cost index for health status above or below average

Cost Adjustment Calculations

- \$1,008 per person for purchased services = $32\% * 105.4\% * \$2,980$
- \$2,447 per person for in-house services = $68\% * 121.0\% * \$2,980$
- \$3,456 per person total = \$1,008 (purchase) + \$2,447 (in-house)
- **\$3,350 per person total** adjusted for health status = $\$3,456 * 96.9\%$
- **\$2,605 per person net cost** = $\$3,350 - \745 Other resources (M&M&PI)

Existing Expenditures (for 2,805 users excluding wrap-around and collections)

- \$1,758 per person = local IHS allowance (excludes \$ for wrap-around)
- \$152 per person = expenditures elsewhere in Portland area on behalf of area users
- \$54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **\$1,964 per person for OU users** = $\$1,758 + \$152 + \$54$

LNF Calculation

- **58.6% Gross LNF** = $\$1,964$ (expenditures) / $\$3,350$ total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **75.4% Net LNF** = $\$1,964 / \$2,605$ net cost ($\$3,350 - \745 other)

IHCIF Allocation

- \$0 = \$ to raise LNF% from 75.4% to 60%
- \$258,040,100 = aggregate \$ to raise all locations to 60%
- 3.488% IHCIF fraction = $\$9,000,000$ fund / $\$258,040,100$ needed
- **\$0 Allocation** = \$0 needed for 60% * 3.488% IHCIF fraction

UMATILLA Unmet Needs

- **\$7,305,640 Net Total Need** = 2,805 users * \$2,605 net cost
- **\$1,795,559 Net Unmet Need** = $(100\% - 75.4\% \text{ LNF}) * 2,805 \text{ users} * \$2,605 \text{ net cost}$